

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATE FITZPATRICK | ELIZABETH FONTAINE | JOHN B. LANGAN | JAMES M. MACHADO | ROBERT B. MCCARTHY

MEMORANDUM

TO: Natick Retirement Board
FROM: Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2017
DATE: November 24, 2015

Required Fiscal Year 2017 Appropriation: **\$8,613,159**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2017 which commences July 1, 2016.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2017 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was determined by Segal as part of their January 1, 2015 actuarial valuation.

If your System has a valuation currently in progress, you may submit a revised funding schedule to PERAC upon its completion. The current schedule is/was due to be updated by Fiscal Year 2018.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

Attachments

cc: Board of Selectmen
Town Meeting
c/o Town Clerk



Natick Retirement Board

Projected Appropriations

Fiscal Year 2017 - July 1, 2016 to June 30, 2017

Aggregate amount of appropriation: **\$8,613,159**

Fiscal Year	Estimated Cost of Benefits	Funding Schedule (Excluding ERI)	ERI	Total Appropriation	Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
FY 2017	\$9,114,189	\$8,613,159	\$0	\$8,613,159	\$8,613,159	\$0	\$501,030
FY 2018	\$9,461,045	\$9,216,080	\$0	\$9,216,080	\$9,216,080	\$0	\$244,965
FY 2019	\$9,821,199	\$9,861,206	\$0	\$9,861,206	\$9,821,199	\$40,007	\$0
FY 2020	\$10,195,159	\$10,551,490	\$0	\$10,551,490	\$10,195,159	\$356,331	\$0
FY 2021	\$10,583,455	\$11,290,094	\$0	\$11,290,094	\$10,583,455	\$706,639	\$0

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.

SECTION 3: Supplemental Information for the Town of Natick Contributory Retirement System

EXHIBIT E

Department Results as of January 1, 2015

Category	Housing	Public Safety	Water & Sewer Enterprise Fund	Sassamon Trace Enterprise Fund	All Others	Total
1. Demographics						
Actives	13	158	23	5	421	620
Inactives	0	2	2	1	109	114
Retired	<u>4</u>	<u>133</u>	<u>16</u>	<u>0</u>	<u>230</u>	<u>383</u>
Total	17	293	41	6	760	1,117
2. Total normal cost	\$75,973	\$2,466,662	\$140,544	\$30,133	\$2,474,892	5,188,204
3. Administrative expenses	4,100	133,122	7,585	1,626	133,567	280,000
4. Expected employee contributions	<u>63,102</u>	<u>1,232,529</u>	<u>142,564</u>	<u>18,751</u>	<u>1,877,281</u>	<u>3,334,227</u>
5. Employer normal cost: (2) + (3) - (4)	\$16,971	\$1,367,255	\$5,565	\$13,008	\$731,178	\$2,133,977
6. Employer normal cost as a percent of payroll	2.5%	10.8%	0.4%	6.8%	3.7%	6.1%
7. Actuarial accrued liability	\$3,461,993	\$95,257,289	\$8,447,970	\$228,126	\$89,640,994	\$197,036,372
8. Actuarial value of assets	<u>2,103,384</u>	<u>57,874,948</u>	<u>5,132,687</u>	<u>204,157</u>	<u>54,462,686</u>	<u>119,777,862</u>
9. Unfunded actuarial accrued liability: (7) - (8)	\$1,358,609	\$37,382,341	\$3,315,283	\$23,969	\$35,178,308	\$77,258,510
10. Payroll	679,868	12,654,505	1,459,242	190,407	19,789,467	34,773,489
11. Fiscal year 2016 appropriation	117,609	4,269,524	280,719	5,201	3,376,628	8,049,681
12. Fiscal year 2017 appropriation	128,570	4,540,354	273,812	16,423	3,654,001	8,613,159
13. Fiscal year 2018 appropriation	137,570	4,858,178	292,980	17,572	3,909,780	9,216,080

Notes: Actuarial value of assets allocated in proportion to liabilities, except for Sassamon Trace Enterprise Fund where actuarial value of assets is estimated from prior valuation plus employer and employee contributions.

Recommended contributions are assumed to be paid on July 1 and December 31.

Fiscal year 2016 appropriation based on the January 1, 2013 valuation report dated December 18, 2013.